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EXAMINER

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte ROBERT CLAYTON, ANDREW JAMISON,
PRASHANT HURRIA, and JITIN GAMBHIR¹

Appeal 2016-007139
Application 12/620,875
Technology Center 3600

Before CAROLYN D. THOMAS, JASON V. MORGAN, and
BETH Z. SHAW, *Administrative Patent Judges*.

THOMAS, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellants seek our review under 35 U.S.C. § 134(a) of the Examiner's Final Rejection of claims 1–8, 10, 13–15, 17, 18, and 21–26, all the pending claims in the present application. Claims 9, 11, 12, 16, 19, and 20 are canceled. *See* App. Br. 4. We have jurisdiction over the appeal under 35 U.S.C. § 6(b).

We AFFIRM.

¹ The Appellants name III Holdings 1, LLC as the real party in interest. App. Br. 2.

The present invention relates generally to enabling buyer initiated payments. *See* Abstract.

Claim 1 is illustrative:

1. A method, comprising:
 - receiving, by a computing system, respective financial account attribute sets for ones of a plurality of different financial account types, wherein the ones of the different financial account types are associated with different geographic areas, and wherein the financial account attribute sets each specify at least: account information fields, field sizes, and rules for validating the account information fields;
 - receiving, by the computing system, account information for an account of a particular account type of the plurality of different financial account types;
 - determining, by the computing system, a data structure for storing the account information, wherein the data structure is determined based on the account information fields and field sizes for the particular account type;
 - storing, by the computing system, the account information using the data structure;
 - validating, by the computing system, account information stored using the data structure, wherein the validating is based on the rules for validating the account information fields; and
 - processing, by the computing system, a payment transaction for the account based on the validated account information.

Appellants appeal the following rejection:²

Claims 1–8, 10, 13–15, 17, 18, and 21–26 are rejected under

² It appears that the Examiner has withdrawn both the rejection of claims 1–8, 10, 13–15, 17, 18, and 21–26 under 35 U.S.C. § 112, first paragraph, and the rejection of claims 1–8, 10, 13–15, 17, and 24–26 under 35 U.S.C. § 112, second paragraph, because the Examiner only states that “the [E]xaminer maintains the [§] 101 rejection” (*see* Advisory Action dated July 17, 2015).

35 U.S.C. § 101 because the claimed invention is directed to non-statutory subject matter.

We review the appealed rejections for error based upon the issues identified by Appellants, and in light of the arguments and evidence produced thereon. *Ex parte Frye*, 94 USPQ2d 1072, 1075 (BPAI 2010) (precedential).

ANALYSIS

Rejection under § 101

Issue: Did the Examiner err in finding that the claims are directed to non-statutory subject matter?

With respect to independent method claim 1, and similarly, independent system claim 21 and independent computer-readable medium claim 24, the Examiner finds these claims are directed to an abstract idea of “enabling buyer initiated payments via a payment management system” which is “a fundamental economic practice” (Final Act. 2). The Examiner further finds that “[t]he claims do not include limitations that are ‘significantly more’ than the abstract idea because the claims do not include an improvement to another technology or technical field, an improvement to the functioning of the computer itself” (*id.*) and “require no more than a generic computer . . . that are well-understood, routine[,] and conventional activities” (*id.* at 3).

Appellants contend that the asserted abstract idea “is extremely broad and ignores most of the features of claim 1[,] . . . the Examiner has not considered the claim ‘as a whole’” (App. Br. 15). Appellants further contend that “the claims recite limitations that amount to significantly more

. . . [because they] improve an area of technology: database processing” (*id.* at 16), for example, “claim 1 in the present case solves a database-centric problem with a claimed solution that is necessarily rooted in computer database technology. . . [by] allow[ing] a database to be used to store data for various different account types, while genericizing certain account fields” (*id.* at 17).

We disagree with Appellants’ contentions. Instead, we find that the Examiner has provided a sufficient response supported by a preponderance of evidence (Ans. 2–5). As such, we refer to, rely on, and adopt the Examiner’s findings and conclusions set forth in the Final Rejection and the Answer. Our discussions here will be limited to the following points of emphasis.

A patent may be obtained for “any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof.” 35 U.S.C. § 101. The Supreme Court has held that this provision contains an important implicit exception: Laws of nature, natural phenomena, and abstract ideas are not patentable. *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354 (2014); *Gottschalk v. Benson*, 409 U.S. 63, 67 (1972) (“Phenomena of nature, though just discovered, mental processes, and abstract intellectual concepts are not patentable, as they are the basic tools of scientific and technological work”). Notwithstanding that a law of nature or an abstract idea, by itself, is not patentable, the application of these concepts may be deserving of patent protection. *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 71 (2012). In *Mayo*, the Court stated that “to transform an unpatentable law of nature into a patent eligible *application* of such a law, one must do more than simply

state the law of nature while adding the words ‘apply it.’ ” *Id.* at 72 (internal citation omitted).

In *Alice*, the Court reaffirmed the framework set forth previously in *Mayo* “for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of these concepts.” *Alice*, 134 S. Ct. at 2355. The first step in the analysis is to “determine whether the claims at issue are directed to one of those patent-ineligible concepts.” *Id.* If the claims are directed to a patent-ineligible concept, then the second step in the analysis is to consider the elements of the claims “individually and ‘as an ordered combination’” to determine whether there are additional elements that “‘transform the nature of the claim’ into a patent-eligible application.” *Id.* (quoting *Mayo*, 566 U.S. at 79, 78).

In other words, the second step is to “search for an ‘inventive concept’—*i.e.*, an element or combination of elements that is ‘sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.’” *Id.* (brackets in original) (quoting *Mayo*, 566 U.S. at 72–73). The prohibition against patenting an abstract idea “cannot be circumvented by attempting to limit the use of the formula to a particular technological environment or adding insignificant post[-]solution activity.” *Bilski v. Kappos*, 561 U.S. 593, 610–11 (2010) (internal citation and internal quotation marks omitted). The Court in *Alice* noted that “[s]imply appending conventional steps, specified at a high level of generality,’ was not ‘*enough*’ [in *Mayo*] to supply an ‘inventive concept.’” *Alice*, 134 S. Ct. at 2357 (quoting *Mayo*, 566 U.S. at 82, 77, 72).

Step one: Are the claims at issue directed to a patent-ineligible concept?

Claim 1 recites six steps: (a) receiving; (b) receiving; (c) determining; (d) storing; (e) validating; and (f) processing. Each of these steps involve account information. Financial account attribute sets and account information are received. A data structure is determined. The account information is stored and validated using the data structure. Finally, a payment transaction for the account is processed. However, information as such is intangible. *See Microsoft Corp. v. AT&T Corp.*, 550 U.S. 437, 451 n.12 (2007). Thus, this is merely the essence of enabling buyer initiated payments via a payment management system.

On the record before us, Appellants dispute that the claims are directed to an abstract idea, in essence because they believe the asserted abstract idea “is extremely broad and ignores most of the features of claim 1” (App. Br. 15).

We are not persuaded of error at least in part because Appellants have not persuasively argued why any ignored features would change the Examiner’s determination that the claims are directed to an abstract idea. Furthermore, information collection and analysis, including when limited to particular content, is within the realm of abstract ideas. *See, e.g., Elec. Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 2016) (holding that “collecting information, analyzing it, and displaying certain results of the collection and analysis” are “a familiar class of claims ‘directed to’ a patent-ineligible concept”); *FairWarning IP, LLC v. Iatric Sys., Inc.*, 839 F.3d 1089, 1093–94 (Fed. Cir. 2016); *Internet Patents Corp. v. Active Network, Inc.*, 790 F.3d 1343, 1349 (Fed. Cir. 2015); *Digitech Image Techs., LLC v. Elecs. for Imaging, Inc.*, 758 F.3d 1344, 1351 (Fed. Cir. 2014); and *CyberSource Corp. v. Retail Decisions, Inc.*, 654 F.3d 1366,

1370 (Fed. Cir. 2011). Further, claim 1 employs little more than receiving various account identifier formats (*see* Spec. ¶ 92). Such processes have been found to be abstract ideas. *See Digitech*, 758 F.3d at 1351 (quoting *Parker v. Flook*, 437 U.S. 584, 595 (1978)); *see also In re Maucorps*, 609 F.2d 481, 485–86 (CCPA 1979) (holding a method of “optimizing the organization of sales representatives” unpatentable), *cited in CyberSource*, 654 F.3d at 1371 n.2.

Because the claims are directed to information collection and analysis to enable buyer initiated payments, an abstract idea, the claims at issue are directed to patent-ineligible subject matter.

Step two: Is there something else in the claims that ensures that they are directed to significantly more than a patent-ineligible concept?

The Examiner finds that in the claims “the computer processor is recited at a high level of generality to simply perform the generic computer functions of generating, receiving, processing, transmitting[,] and storing information” (Ans. 4). We agree with the Examiner.

“A claim that recites an abstract idea must include ‘additional features’ to ensure ‘that the [claim] is more than a drafting effort designed to monopolize the [abstract idea].’” *Alice*, 134 S. Ct. at 2357 (brackets in original) (quoting *Mayo*, 566 U.S. at 77–78). The prohibition against patenting an abstract idea “cannot be circumvented by attempting to limit the use of the formula to a particular technological environment or adding insignificant post-solution activity.” *Bilski*, 561 U.S. at 610–11 (internal citation and internal quotation marks omitted). The recitations in claim 1

pertaining to “a computer system” are analogous to the recitation of a conventional “computer” discussed in *Alice*.

Additionally, as recognized by the Federal Circuit in *Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 716 (Fed. Cir. 2014), *Bilski*’s “machine-or-transformation” (MoT) test can also provide a “useful clue” in the second step of the *Alice* framework. *See Bilski*, 561 U.S. at 611. Under *Bilski*’s MoT test, a claimed process can be considered patent-eligible under § 101 if: (1) “it is tied to a particular machine or apparatus”; or (2) “it transforms a particular article into a different state or thing.” *In re Bilski*, 545 F.3d 943, 954 (Fed. Cir. 2008) (citing *Gottschalk*, 409 U.S. at 70).

Here, Appellants merely contend that “the claims are directed to improvements in computer-related technology for similar reasons to the claims in *Enfish*” (Reply Br. 4) and the “Examiner’s allegation that there are no improvements to the technical field and computer technology is undercut by the lack of art-based rejections” (*id.* at 5). In essence, Appellants merely contend that method claim 1 and its corresponding system and medium claims 21 and 24 are tied to a computer and offer improvements to computer technology, but do not argue that the claims are involved in any type of transformation of any particular article.³ Claim 1 merely recites that each step is performed “by a computing system” (*see* claim 1). We agree with the Examiner that claim 1 simply incorporates a generic component, i.e., a computing device, into the method to perform the abstract concept of enabling buyer initiated payments.

³ *Alice* also confirmed that if patent systems claims are no different in substance from its method claims, they will rise and fall together. 134 S. Ct. at 2360. The same was true of the *Alice* patent media claims. *Id.*

As recognized by the Supreme Court, “the mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention.” *See Alice*, 134 S. Ct. at 2359 (concluding claims “simply instruct[ing] the practitioner to implement the abstract idea of intermediated settlement on a generic computer” not patent eligible); *see also Ultramercial*, 772 F.3d at 715–16 (claims merely reciting abstract idea of using advertising as currency as applied to particular technological environment of the Internet not patent eligible); *Accenture Global Servs., GmbH v. Guidewire Software, Inc.*, 728 F.3d 1336, 1344–45 (Fed. Cir. 2013) (claims reciting “generalized software components arranged to implement an abstract concept . . . [of generating insurance-policy-related tasks based on rules to be completed upon the occurrence of an event] on a computer” not patent eligible); and *Dealertrack, Inc. v. Huber*, 674 F.3d 1315, 1333–34 (Fed. Cir. 2012) (“[s]imply adding a ‘computer aided’ limitation to a claim covering an abstract concept, without more, is insufficient to render [a] claim patent eligible” (internal citation omitted)). Limiting such an abstract concept of “enabling buyer initiated payments” to generic components, such as a computing system, does not make the abstract concept patent-eligible under 35 U.S.C. § 101.

In addition, we note Appellants’ claims are neither rooted in computer technology as outlined in *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245 (Fed. Cir. 2014), nor do they seek to improve any type of computer capabilities, such as a “self-referential table for a computer database” outlined in *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1336–37 (Fed. Cir. 2016). Instead, Appellants’ claims simply recite an abstract concept of collecting “financial account attribute sets and account information and

determining a data structure for storing the information, then validating the information and processing a payment transaction,” i.e., collecting and analyzing information.

Finally, addressing Appellants’ argument regarding the absence of a prior art rejection, we stress that such absence does not necessarily imply that the claims are defined over prior art or non-obvious. Moreover, while “novelty in implementation of the idea is a *factor* to be considered . . . in the second step of the *Alice* analysis” (*Ultramercial*, 772 F.3d at 715 (emphasis added)), “the addition of merely novel or non-routine components to the claimed idea [does not] necessarily turn[] an abstraction into something concrete” (*Ultramercial, Inc.*, 772 F.3d at 715). “Groundbreaking, innovative, or even brilliant discovery does not by itself satisfy the § 101 inquiry” (*Ass’n for Molecular Pathology v. Myriad Genetics, Inc.*, 133 S. Ct. 2107, 2117 (2013)). “[P]atent-eligibility does not turn on ease of execution or obviousness of application. Those are questions that are examined under separate provisions of the Patent Act.” *Rapid Litig. Mgmt. Ltd. v. CellzDirect, Inc.*, 827 F.3d 1042, 1052 (Fed. Cir. 2016) (citing *Mayo*, 566 U.S. at 89–90). Thus, merely because the Examiner has not presented a prior art rejection under §§ 102 and/or 103 does not overcome a § 101 rejection.

Because Appellants’ independent claims 1, 21, and 24 are directed to a patent-ineligible abstract concept and do not recite something “significantly more” under the second prong of the *Alice* analysis, we sustain the Examiner’s rejection of these claims as well as respective dependent claims 2–8, 10, 13–15, 17, 18, 22, 23, 25, and 26 under 35 U.S.C. § 101 as

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being directed to non-statutory subject matter in light of *Alice* and its progeny.

For the foregoing reasons, Appellants' contentions are unpersuasive as to error in the rejection under 35 U.S.C. § 101.

DECISION

We affirm the Examiner's § 101 rejection.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED